

Neighborhood STAR LOAN/GRANT PROGRAM

Application Instructions

Before you begin, please take 5 minutes and read the following:

- * **Your STAR Application asks for public money.** Successful applications demonstrate sound public purpose, a commitment of human and financial resources, and conform to accepted credit/loan standards.
- * **Please complete the entire application.** This year's application has been re-tooled and simplified. Section A provides reviewers with basic information about your proposal and organization. Section B will be used to evaluate your financial status.
- * **Please type all information, and limit your answers to the space provided.** Until you have the occasion to review 40 or 50 proposals, you may not appreciate the importance of this statement. Reviewers will not understand what they can't read, follow, or find. Supporting documents should be provided on 8¹/₂x 11" stock.
- * **We can help - honest.** A City staff person will be available to assist you in the development of your proposal. You are also encouraged to collaborate with neighborhood and business organizations.
- * **The Large STAR Program finances activities greater than \$20,000.** The minimum business request is \$50,000. If your proposal requires less funds, staff will assist you in identifying other potential financing sources.
- * **The STAR Board may ask you for additional information.** This can be a good thing. In some cases, you may also be asked to modify the original terms and conditions of your application to increase the chances for funding recommendation.

**Large Grant and Loan/Grant proposals
are due by 4:00 P.M., Thursday, July 13, 2000.
Sorry, there will be no exceptions.**

Please include a non-refundable \$100 check, made out to "Saint Paul's Neighborhood STAR Program" along with **two copies** of your signed application and mail or deliver to:

**Neighborhood STAR Program
Department of Planning and Economic Development
1400 City Hall Annex
25 West Fourth Street
Saint Paul, Minnesota 55102-1622**

Questions regarding this form should be directed to City's STAR Staff:
Bob Hammer: (651)266-6693, or Michele Swanson: (651)266-6574



Department of Planning
and Economic Development
1400 City Hall Annex
25 West Fourth Street
Saint Paul, MN 55102-1622
651-266-STAR (7827)
FAX: 651-228-3220

Tracking # _____

Section A - Proposal & Organization Information

Project name: _____ Ward _____ Planning District _____

Legal entity submitting request _____

Please check organization type: Public _____ Private _____ For-Profit _____ Non-Profit _____

Mailing address _____
STREET CITY STATE ZIP

Contact person for this request _____

Daytime phone: (____) _____ Fax # (____) _____

E-mail address: _____

Federal Tax ID # _____

Funding request

Grant Request: \$ _____

Loan Request: \$ _____ requested interest rate: _____

Total STAR Request: \$ _____ requested term: _____

Total Match Leveraged: \$ _____ Is this a multi-year funding request?

Yes ____ No ____ Number of years _____

Signature of individual completing application *print name* *title* *date*

Signature of Chief Officer or President *print name* *title* *date*

I. APPLICANT INFORMATION. This section provides the STAR Board, elected officials, and staff with basic information about your organization, and its abilities to carry out a STAR project.

1. Please describe your organization -- its history, structure, business, membership, and purpose.
2. What is your status as a legal entity? (i.e. corporation, partnership, nonprofit)
3. Who will be the designated project manager? _____
Describe his/her background, skills and experience in managing similar-type projects.
4. Do you have an adopted/official conflict-of-interest policy? If so, please summarize.
5. If you have received funds from the City in the past five years, please identify below. Your application will not be considered complete without this information.

Year	Program	Amount	Loan or grant?

6. please attach a current list of your officers, principals, and/or board members.

II. PROPOSAL INFORMATION:

1. a. Proposal Location (*please provide address and/or area boundaries as appropriate*)
 - b. Please attach a reproducible 8¹/₂ by 11 inch map identifying project location.
 - c. Please attach a photo of your project

2. Please describe your program or project in the space provided.

3. Briefly describe, in quantifiable terms, the specific results and impact of your project. *i.e: 10 houses rehabbed in 2 years; 5 jobs created by business expansion; 15,000 sq. ft. Community Center addition, etc.*

III. NEIGHBORHOOD PLANNING/COMMUNITY SUPPORT: Community involvement is a critical part of the STAR program, and Section III asks you to identify the participation of neighborhood and community groups in your proposal.

Please answer the following:

1. Will your project be coordinated or partnered with any other project, program? Yes ___ No ___
If yes, please describe:

2. Is this proposal identified as part of an adopted city, neighborhood, or business plan?
If yes, please describe:

3. Is there neighborhood/community support for this proposal? yes ____ no ____
If yes, please include letter(s) of support or commitments.

IV. PUBLIC COST: This section helps define the financial impact of your request on the general public. Please be as accurate as possible.

1. Will this project/program result in an increase ____, decrease, ____ or no change ____ in the tax base?
If there will be an increase, please complete the following:

_____ Current property taxes payable per year

_____ Estimated taxes after project is completed

_____ Net change in taxes per year

2. For proposals that remove property from the tax rolls, you'll need to calculate a Payment in Lieu of Taxes (PILOT) that will replace the lost property tax revenue. Suggested minimum is 17% of the total current taxes to pay for basic safety services (Example: for a project valued at \$500,000 with a tax capacity of \$22,500, multiply \$22,500 x .17 to equal \$3,825 annual tax), to be paid for 20 years or the term of the loan, whichever is longer. PILOTS for grants are in effect 20 years. A PILOT is required if any part of your proposal, **including match**, involves acquisition.

V. PUBLIC BENEFITS: The citizens of Saint Paul expect that STAR funds are expended on activities which benefit the City. This section asks you to help define the type of public benefit that can be expected. Please place a "1" next to the item you believe is the primary benefit, and a "2" next to the item you select as a secondary benefit.

I. Community Development Benefits - Public Improvement Proposals.

<input type="checkbox"/>	Remove Blight/Pollution	<input type="checkbox"/>	Improve Health/Safety/Security	<input type="checkbox"/>	Increase/Maintain Tax Base
<input type="checkbox"/>	Rehab. Vacant Structure	<input type="checkbox"/>	Public Improvements	<ul style="list-style-type: none"> • current tax product'n: • est'd taxes as built: • net tax change, + or - : 	
<input type="checkbox"/>	Remove Vacant Structure	<input type="checkbox"/>	Goods and Services Availability		
<input type="checkbox"/>	Heritage Preservation	<input type="checkbox"/>	Maintain Tax Base		

II. Economic Development Benefits - Business Proposals.

<input type="checkbox"/>	Support Vitality of Industry	<input type="checkbox"/>	Create Local Businesses	<input type="checkbox"/>	Generate Private Investment
<input type="checkbox"/>	Stabilize Market Value	<input type="checkbox"/>	Retain Local Businesses	<input type="checkbox"/>	Support Commercial Activity
<input type="checkbox"/>	Provide Self-Employm't Opt's	<input type="checkbox"/>	Encourage Entrep'ship	<input type="checkbox"/>	Incr. Women/Minority Business

III. Housing Development Benefits.

<input type="checkbox"/>	Increase Home Ownership Stock	<input type="checkbox"/>	Address Spec'l Hous'g Needs	<input type="checkbox"/>	Maintain Housing
<ul style="list-style-type: none"> • # units new construction: • # units conversion: 		<input type="checkbox"/>	Retain Home Owners in City	<ul style="list-style-type: none"> • # units rental: • # units owner-occ.: 	
		<input type="checkbox"/>	Affordable Housing		

IV. Job Creation/Retention.

() Job Impact () No Job Impact	Year 1	Year 2	Year 3	Year 4	Year 5
# JOBS CREATED (full-time permanent)					
Average wage					
# Construction/temporary					
# JOBS RETAINED (full-time permanent)					
# JOBS LOST (full-time permanent)					

PLEASE NOTE:

Economic development activities will be subject to both the City's living wage and corporate welfare requirements. The City's living wage requirements will apply when \$100,000 or more of City funds are used, and the project involves economic development or job creation. Corporate welfare regulations will apply if \$25,000 or more of City funds are given to businesses for economic development or job creation activities.

Questions on these items should be addressed to: Jill Hughes, 651-266-6650 or 651-266-STAR.

Sources and Uses

Please attach an itemized budget or contractors' estimates wherever applicable. **Itemize use of STAR funds and private match for entire project.**

CATEGORY	Grant \$	Loan \$	Match \$	Total \$
Acquisition				
Relocation				
Rehabilitation:				
residential - owner-occupied				
residential - rental-occupied				
commercial/industrial				
New Construction:				
residential - owner-occupied				
residential - rental-occupied				
commercial/industrial				
Public Improvements				
Direct Project Costs¹				
Other²				
TOTALS				

Line item examples:

Commercial/Housing Rehabilitation	improvements to an existing structure
Public improvements:	streetscapes/parks: benches, signs, lighting,
Direct Project Costs:	architect, engineering and legal fees, closing costs, permits
Other:	demolition, extraordinary site preparation

¹ **DIRECT PROJECT COSTS:** - The total may not exceed 20% in STAR financing. **On a separate sheet of paper, please itemize and describe any eligible direct project costs.**

² **OTHER:** Please detail any activity listed in this category

Source of Matching Funds

Must be directly related to the capital improvement proposal.

Refer to guidelines for eligible match criteria.

IDENTIFY THE SOURCE AND TYPE OF MATCH	Amount	Date Available	Match Firm?
A. * Estimated volunteer labor :	\$		
B. * Estimated sweat equity :	\$		
C. Estimated in-kind services :			
1.	\$		
2.	\$		
3.	\$		
D. Estimate and name source of cash donations :			
1.	\$		
2.	\$		
E. Name and amount of anticipated foundation grants :			
1.	\$		
2.	\$		
3.	\$		
4.	\$		
F. Amount of loan and name of lender :			
1.	\$		
2.	\$		
G. Amount and source of private equity :			
1.	\$		
2.	\$		
3.	\$		
H. Amount, source, and type of other match :			
1.	\$		
2.	\$		
3.	\$		
4.	\$		
Total Value of Private Match:	\$		

* Sweat equity/volunteer labor is valued at \$10 per hour, and may be used for up to 30% of the match.

VI. DEVELOPMENT PROJECTS: STAR provides funding for a variety of activities. , including projects and programs. Please complete the following if you are requesting funds for a **project**. Mark “NA” if the question is not applicable.

1. Before a development proposal may proceed, you must have control of the property. Please indicate the type of site control you have:

Deeded Title_____ Purchase Agreement_____ Purchase Option_____
 Existing Lease_____ Lease Agreement _____ Other _____
 Comments:

2. a. Type of development: New Construction _____ Rehabilitation/Expansion _____

b. Describe the current use of space (number of units, sq. ft., commercial, residential, etc.):

c. List the proposed use of space (office, retail space, housing units, etc.)

d. Will the proposal provide the leasing of space? YES _____ NO _____ If yes, please provide:

PROSPECTIVE TENANTS	SQUARE FOOTAGE	RENT PER SQUARE FOOT	IS LEASE SIGNED?

3. Anticipated start date? _____ Completion? _____

4. If this request is for a new business start-up, please attach the business plan.

5. Has a developer, architect, general contractor, and/or leasing and management firm been selected?
 YES _____ NO _____ If yes, please identify:

6. Have detailed cost estimates been prepared? YES ____ NO ____ If yes, please identify:

VII. HOUSING OR BUSINESS PROGRAMS: This Section is only if you are requesting funds to administer a program.

1. Anticipated program start date? _____ Completion? _____

2. Please list the number of units (houses or businesses) to be assisted: _____

3. Please summarize how you will select program participants (Criteria may include income of recipient, Requirements for match funds, cash vs. sweat equity, etc.)

4. Describe your and/or your partner's experience and capacity for operating a loan or grant program:

5. How will this program differ from existing City housing or business programs?

6. Will this program coordinate with other City programs? Yes ____ No ____
If yes, please explain:

7. a. Are you planning to provide loans? YES ____ NO ____ If yes, what type of terms or conditions will be required? (i.e. will there be a mortgage/lien? Occupancy term be required? Will the loan come due if property is sold or rented?)

b. What kind of loan underwriting criteria do you envision? (*i.e. collateral, debt-to-income ratio. etc.*)

8. Will you provide grants? Yes_____ No_____ (Skip to #10) If yes, please describe the terms and conditions (i.e. mortgage or lien on sub-grantees' property? 5-year occupancy be required?)

VIII. PUBLIC IMPROVEMENTS PROPOSALS: STAR money traditionally financed important public improvements in our community. These include playgrounds, streetscapes, and improvements to various public facilities. If you are applying for funds for a **public improvement** project:

1. Please describe your public improvement project experience:

2. Describe the components included in your proposal, and approximate locations (i.e. street lights, benches, boulevard trees, playground equipment, park improvements, etc.).

3. Explain how this project will be maintained over the life of the improvement:

4. Anticipated start date? _____ Completion? _____

5. Please list the City department and person with whom you have discussed this proposal:

6. Do you have a construction cost estimate either from, or approved by, the City department and contact listed in #5 above? YES ____ (estimate attached) NO ____.

7. Have businesses and/or home owners been approached regarding any required assessments to their property? YES ____ NO _____. If yes, please indicate:
 - a. How many properties will be affected?

_____	_____
residential	commercial

 - b. How many have agreed to pay assessments?

_____	_____
residential	commercial

SECTION B: Neighborhood STAR Loan Documentation *to be completed by all applicants*

II. Organization Management

*(Proprietor, partners, officers, directors, governors, and all holders of outstanding stock — **100%** of project ownership must be shown.) Use separate sheet if necessary.*

Name, Social Security Number, and Title	Complete Address	% Owned

Do you have affiliate and/or subsidiary firms (20% or more ownership in other entities)? If so, please provide the last fiscal year end financial statements for the listed firms. If **not** applicable, check here ____.

If your business is a franchise, include a copy of the franchise agreement and the franchiser's FTC disclosure statement. If **not** applicable, check here ____.

II. Please provide the following if applicable (check if attached or "N/A" if not applicable:

- ____ A current balance sheet and a current operating statement. (Last business quarter)
- ____ Aging of accounts receivable and accounts payable as of the date of the current balance sheet.
- ____ A year-ended balance sheet and profit and loss statement for the previous three years, with accountant's letter, notes and supporting schedules.
- ____ Detailed cash flow projections for the first 12 months of operation or three months beyond the break even point (whichever is longer), with detailed assumptions; or a projected annualized income statement for the first two years after the loan, with assumptions.
- ____ A copy of existing or proposed purchase agreement or lease agreement. (Provide appraisal, if available.)
- ____ If project involves construction, please include specifications and contractors' estimates.
- ____ If project involves the purchase of fixed assets, include purchase agreements and/or vendor quotes.
- ____ If a corporation, please provide articles of incorporation and bylaws.
- ____ If a partnership, please provide partnership agreement.
- ____ If LLC, please provide articles of organization.
- ____ Copies of last three years' business tax returns.
- ____ Current personal financial statements for partner, officer, owner, and each stockholder with 20% or greater ownership.
- ____ Resumes of principals and key management.

III. BANK REFERENCES

Bank	Account No.	Account Officer	Phone

NOTE: If this project includes bank participation, please provide a bank commitment letter as soon as possible.

IV. TRADE REFERENCES (for business loans)

Company	Contact Person	Phone

V. DEBT SCHEDULE

Please list all existing business debts. Date* : _____

Creditor name/address	Original amount	Original date	Present balance	Interest rate	Maturity date	Monthly payment	Assets secured	Current or delinquent

Total present balance** \$ _____ Total monthly payment \$ _____

* Should be the same date as current financial statement.

** Total must agree with balance shown on current financial statement.

VI. ACCOUNTANT

Firm name _____

Address _____

Phone/fax _____

E-mail _____

VII. LAWYER

Firm name _____

Address _____

Phone/fax _____

E-mail _____

The Applicant certifies that the information contained in this Neighborhood STAR Application is, to the best of their knowledge, true and correct. If approved, the Applicant will be asked to enter into a formal Neighborhood STAR Agreement which details the rights and responsibilities of all parties.

By: _____

Date

By: _____

Date